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CHINESE-SOVIET PACT FOSTERS BIG-FOUR UNITY IN FAR EAST

THE thirty-year Chinese-Soviet pact of friendship and alliance, whose terms were made public on August 26, will have far-reaching effects on the development of post-war Asia. The most significant features of the treaty and its six supplementary agreements are the recognition of a special Soviet position in Manchuria and the explicit pledge of the signatories "to act according to the principles of mutual respect for their sovereignty and territorial entity and non-interference in the internal affairs of both contracting parties." The latter point receives further emphasis in an Agreement on Government in which Foreign Commissar Molotov declares that the U.S.S.R. "is ready to render China moral support and assistance with military equipment and other material resources, this support and assistance to be given fully to the National Government as the Central Government of China." Since the treaty apparently was drawn up on the assumption that the war with Japan was still to be fought, it is impossible to say whether there will be any occasion for the sending of Soviet "military equipment" to Chungking, but the meaning of the passage is unmistakable: the U.S.S.R. intends to deal only with the Chinese Central government and will not extend aid or recognition to the Chinese Communists at Yen-an.

RUSSIA AND BORDER AREAS. The agreements do not restore the Russians to the exact position they held before the Russo-Japanese war of 1904-05, because the rights granted are much more limited than those possessed by Tsarist Russia and do not, of course, include extraterritoriality. The terms involve rather an application of the techniques of Soviet-Chinese relations in Manchuria during the 1920's to the rights enjoyed by Russia in the early part of the century. There is to be joint control of the Chinese Eastern Railway and South Manchuria Railway, which are now to be combined under the

single name of the Chinese Changchun Railway. But the partnership applies only to those properties in which the Russians previously had an interest, and other lines will apparently come under complete Chinese control. Port Arthur, which has been the focal point of so many international differences in the past, is to be utilized jointly as a naval base "at the disposal of the battleships and merchant ships of China and the U.S.S.R. alone," while near-by Dairen is to be "a free port open to trade and shipping of all countries." In Dairen various piers and warehouses will be leased to the U.S.S.R., and no import or export duties will be levied on goods passing directly to or from the Soviet Union through the port. In both Port Arthur and Dairen the civil administration is to be Chinese, but there will be a large measure of Soviet authority, especially in the former. In comparing the situation with that before 1905, it should be noted that Tsarist Russia had complete control of both cities as well as the tip of the south Manchurian peninsula of which they are a part.

The unequivocal declaration is made that during the negotiations "the Soviet Government regarded the three eastern Provinces as part of China and again confirmed its respect for China's full sovereignty over the three eastern Provinces and recognition of their territorial and administrative integrity." More concretely, an annex carefully defines the scope of Soviet authority in Manchuria during the period of military occupation; while, according to a minute appended to the treaty, Premier Stalin pledged that Soviet troops would begin to withdraw three weeks after Japan's capitulation, the withdrawal to be completed within three months at the

With regard to Outer Mongolia, which Chinese in language, population and history ground, but in theory has been under eighty, it is agreed that if a plebis-

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people's desire for independence, China will recognize Outer Mongolia's independent status. The result of the plebiscite may be taken for granted, and it is worth noting that in an address of August 25 Generalissimo Chiang Kai-shek declared that recognition of Outer Mongolia's independence was not only necessary for friendship, but would also be in harmony with the Kuomintang's principles of the equality and freedom of peoples. In connection with Sinkiang, a border area in the far northwest in which the Russians exerted great influence from 1934 to 1942, Mr. Molotov stated that the Soviet Union "has no intention to interfere with China's internal affairs." The declaration referred specifically to "the latest events in Sinkiang," i.e. presumably to reported clashes between Central forces and local insurgents.

WASHINGTON-MOSCOW COMPROMISE.

The consequences of so broad an agreement cannot be assessed fully at the moment of its announcement, but a few main consequences already are clear. The first of these is that the Soviet Union has greatly strengthened its position in northeastern Asia and has fulfilled its desire to secure the use of a year-round port at Dairen. The second is that Moscow has emphasized at a moment of critical importance that it is following a policy of nonintervention in Chinese affairs. This is not so important for its material effects—since no one has charged the U.S.S.R. with giving material aid to the Chinese Communists in the war years—as for the added prestige it gives to the government of Chiang Kai-shek. Thirdly, the treaty establishes a basis for cooperation among the U.S.S.R., the United States and Britain in a large part of East Asia. Since the pact was concluded with active American support, it represents, in part, a compromise between Washington and Moscow. This compromise recognizes both the security needs of the Soviet Union and the concern of the United States for China's territorial integrity and the preservation of the Central government as the country's leading political force.

The pact should not be interpreted as giving Chiang Kai-shek "a free hand" in Chinese affairs, for the possibility of Soviet intervention has been only one of the pressures upon him. Not only does the United States continue to desire a peaceful adjustment of Chinese differences, but the smooth execution of the present accord requires the creation of a united China. Moreover, the Chungking liberals, who

have been vigorous advocates of cooperation with the U.S.S.R., should find their position strengthened as a result of the pact. Most important of all, since the Chinese Communists throughout the war have relied solely on their own strength, they will retain significant bargaining power. They will, however, face a central régime that has been bolstered diplomatically, and the treaty's influence unquestionably will be felt in the scheduled conferences between Chiang Kai-shek and Mao Tse-tung, leader of the Chinese Communists. Although other Kuomintang-Communist parleys in recent years have failed, it is significant that political discussion is still possible and that Chiang and Mao, meeting for the first time since 1927, will have an opportunity to go over the issues personally. In the meantime—and this is a fact that should not be overlooked—Chungking and Yen-an have accelerated their efforts to enter the leading cities of China. The Central government already reports its troops inside Shanghai, Canton, Hankow and Nanking, the pre-war capital. The Communists have also announced advances, but apparently have been hampered in part by the Japanese, who are refusing to surrender to any but Central troops and are even attempting, in the Peiping area, to make political capital out of China's internal differences.

It is not difficult to see a certain division of labor between Moscow and Washington in adjusting the Chinese situation, a division based on the necessity of compromise between the two powers. The Soviet action may be interpreted as constituting pressure on Yen-an, although Moscow will certainly welcome any moves by Chungking toward a settlement. At the same time the United States, which in recent months threw the weight of its support behind Chungking, now seems to be exerting pressure on the Central government, as well as Yen-an, for the establishment of unity with the Communists. It may be assumed that American advice played a part in Chiang Kai-shek's tendering three invitations to Mao Tse-tung, and it is especially significant that Ambassador Hurley flew to Yen-an to accompany Mao on the trip to Chungking. The result of these developments is to improve the prospects for international agreement on the Chinese situation. It would be unwise to idealize the Soviet-Chinese pact or to assume that difficulties will not arise in its application. But one of its first fruits is to clarify many of the issues affecting Chinese unity.

LAWRENCE K. ROSINGER

WILL U.S. USE ITS ECONOMIC POWER TO AID DEMOCRACY ABROAD?

The sudden cessation of military hostilities has left all nations dazed by their new-found freedom to turn to tasks other than war. We are like prisoners who, emerging from long confinement, feel dazzled and frightened by the complexities of life outside the

prison gates. Yet these complexities must be faced if we are to reconstitute something resembling peacetime life in Europe and Asia.

CAN WE ESCAPE VICIOUS CIRCLE? Once more, as the iron controls of the war years are re-

laxed, we face the vicious circle mentioned by British Foreign Secretary Bevin in his address to the House of Commons on August 20: lack of trade endangers security, and lack of security endangers trade. Economic reconstruction of the liberated areas is an essential prerequisite to their political reconstruction, and especially to the development of institutions the United States and Britain would regard as democratic. Yet economics cannot be divorced from or put ahead of politics. We have seen this clearly in the case of the British elections when, the moment Labor's sweeping victory became known, some Americans immediately questioned the advisability of economic aid to a country where political changes might result in limitations on free enterprise. The termination of lend-lease aid to Britain, announced by the United States on August 21, was in accordance with the terms of the law, which provided for termination of such aid at the end of the war. But the feeling of near-despair that this action has produced in Britain shows—if evidence were needed—that ratification of documents like the United Nations Charter and the Bretton Woods agreements are not enough to assure world security and stability. We now have to put concrete content into these documents through consultation with other United Nations concerning our mutual needs.

The United States, as Mr. Churchill said on August 16, "stands at the summit of the world." Our decisions, as well as our indecisions, will profoundly affect economic and political developments all over the globe. It is natural that we should think first of all about ourselves—about the resumption of our own production, the alleviation of our own unemployment problems, and improvement of our living standards. But it would be unfortunate if absorption in affairs at home should cause us to forget that timely, well-considered aid now to countries teetering on the verge of economic breakdown and political anarchy would go far to avert the danger of another costly conflict.

The very fact that we possess the economic power to foster or delay the reconstruction of devastated and impoverished areas raises the question of how we might use this power to promote and strengthen political democracy. Mr. Bevin appeared to agree with Mr. Churchill that conditions now existing in Eastern Europe and the Balkans are not favorable to democracy. In fact, commenting on the situation in Hungary, Rumania and Bulgaria, he said that "one kind of totalitarianism is being replaced by another." Both the United States and Britain criticized arrangements for the Bulgarian elections—originally scheduled to be held on August 26 but now postponed "to a later date"—on the ground that they did not insure free expression of the wishes of the people; and both

have indicated that they intend to see to it that the references to democracy contained in United Nations documents from the Atlantic Charter to the Potsdam Declaration do not remain a dead letter.

HOW CAN WE ADVANCE DEMOCRACY?

How can the Western powers most effectively carry out their pledges to liberated peoples in Europe and Asia? Today there is no more pretense in Washington and London, as there was in the days of the Spanish civil war, that the Western democracies are pursuing a policy of "nonintervention" and, like Pilate, can wash their hands of the internal affairs of other nations. Today the United States and Britain are committed to intervention on behalf of democracy, against totalitarianism of both Right and Left. When American and British spokesmen criticize Russia's activities in Eastern Europe and the Balkans, then it must be assumed that they oppose not Russia's intervention *per se*, since the United States and Britain also claim the right to intervene, but the fact that Russia is said to support individuals or groups which the Western powers regard as inimical to democracy.

THE "OVERWORKED WORD." This "very much overworked word," as Mr. Bevin has said, "appears to need definition." There is little doubt that the Russians, in all the countries they helped to liberate from the Nazis, have directly or indirectly favored the workers and peasants, who in these countries form a majority of the population, against former government administrators, landowners, and owners of factories, mines and other large-scale property. This, certainly, is not political democracy as we know it in the United States and Britain. But neither is it political democracy in our sense of the term when, as has frequently happened in the past, the United States and Britain tend to deal with owners of land and factories who in Eastern Europe and the Balkans represent a minority of the population, and show little or no concern for the welfare and interests of the rest of the population. We deplore, and quite rightly, the excesses that have accompanied liberation of many nations in Europe. But we forget that both we and the British passed through revolutions and civil wars before we succeeded in establishing stable democratic institutions.

The questions we, along with the British, are asking about elections in Eastern Europe and the Balkans, sound more convincing now that the United States has begun to question dictatorships of the Right, as well as the Left. Nelson Rockefeller, in his swan-song speech before the Pan-American Society in Boston on August 24, flayed the abuses of the Farrell government. Yet these abuses were known to the State Department in April, when the United States recognized that government and vigorously

urged Argentina's admission to the San Francisco Conference in opposition to Russia's demand for postponement. It must be hoped that the appointment of Spruille Braden, Ambassador to Buenos Aires who has been critical of the Argentine government, as Assistant Secretary of State in charge of Latin American affairs, succeeding Nelson Rockefeller, will harmonize our policy of intervention on behalf of democracy in Europe with our policy in Latin America, which has seemed unduly tolerant of dictatorships.

There is no simple answer to any of these questions. Too many emotions, fears, and prejudices are clustered about the word "democracy," as the Big Three have been using it, to permit of dogmatic definitions. But if by democracy we mean in essence a

way of life that makes it possible for human beings of all races, creeds, and economic conditions to work together with as little deference to economic or political privilege as it is humanly possible to achieve—then it is not impossible for the Big Three eventually to find a common meeting ground for their respective aspirations. We must not let such embers of freedom as existed in Eastern Europe and the Balkans be extinguished in the hour of liberation. But we can fan them into a steady flame only if we ourselves are determined to play no favorites and to see to it that free elections lead to, and not away, from economic and social reforms.

VERA MICHELES DEAN

(The second in a series of two articles.)

THE F.P.A. BOOKSHELF

Freedom and Civilization, by Bronislaw Malinowski. New York, Roy Publishers, 1944. \$3.50

The renowned Polish anthropologist presents in this book, published posthumously, his analysis of human culture and freedom. Sketching the history of freedom, the author pleads for clear definition, treats of the relation between freedom and restraints, and argues that in the future the continuance and further development of freedom depends on the elimination of collective violence.

Postwar Monetary Plans and Other Essays, by John H. Williams. New York, Knopf, 1944. \$2.50

A collection of papers by the vice president of the Federal Reserve Bank of New York. The recent essays deal specifically with the problems inherent in the Bretton Woods proposals for post-war monetary institutions. Insisting that the major problem ahead is the maintenance of domestic stability within the major industrial countries, Williams advises a less formalized approach to international currency stability than that embodied in the Bretton Woods plan.

International Monetary Cooperation, by George N. Halm. Chapel Hill, University of North Carolina Press, 1944. \$4.00

Approving the International Monetary Fund, drafted last July at Bretton Woods, Mr. Halm evaluates the preliminary White and Keynes plans and discusses various criticisms which have subsequently been directed at the Fund.

Fabian Colonial Essays, by Rita Hinden, ed. London, George Allen & Unwin, Ltd., 1945. 8s 6d.

Under the auspices of the Fabian Colonial Bureau, a dozen experts discuss various aspects of the colonial problem in this volume, touching on the socialists' attitude toward empire, land questions, food, literacy and self-government.

Toward the Understanding of Europe, by Ethan T. Colton. New York, Association Press, 1944. \$1.00

The author, after twenty years of travel and residence in Europe, writes with the idea of making Americans think decisively regarding what can be done to bring about lasting peace.

World Economic Development, by Eugene Staley. Montreal, International Labour Office, 1944. \$1.75

One of the recent excellent volumes prepared for the I.L.O. series on international economic objectives. Staley discusses the many problems which will arise under projected plans for the industrialization of presently undeveloped countries. Special attention is given to the repercussions of such development on the older industrialized nations.

International Currency Experience, by the Economic, Financial and Transit Department of the League of Nations. Princeton, Princeton University Press, 1944. \$3.25. (In the United States this work is distributed by International Documents Service, Columbia University Press, New York.)

A survey of international monetary relations between the two wars which examines the operation and breakdown of the gold exchange standard, the emergence of currency groups, and the rise of exchange stabilization funds.

The Road to Serfdom, by Friedrich A. Hayek. Chicago, University of Chicago Press, 1944. \$2.75

The Austrian economist, now a member of the faculty of the London School of Economics, outlines the case against planned economy. The author brings a wealth of detail from the German experience to prove that planning leads to totalitarianism.

Social Policy in Dependent Territories. Montreal, International Labour Office, 1944. \$1.50

An outline prepared by Wilfrid Benson of the I.L.O., stressing economic and social developments affecting workers in dependent areas from World War I through the present.

Political Handbook of the World: Parliaments, Parties and Press, as of January 1, 1945, edited by Walter H. Malloy. New York, Harper & Brothers, for Council on Foreign Relations, Inc., 1945. \$2.75

Another issue of the valuable annual that gives background facts necessary to an understanding of politics in all countries—except six not listed because their governments are "temporarily destroyed."

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